

C O N F I D E N T I A L 311544Z AUG 83 STAFF

CITE FBIS/LONDON 66936

TO: FBIS.

ADMIN

SUBJECT: FN COMPENSATION PLANS

REF: FBIS 15784

Return to C/AS

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1. APPRECIATE OPPORTUNITY TO COMMENT ON REF PROPOSAL. IT IS FEASIBLE TO PAYROLL FN EMPLOYEES THROUGH LOCAL BANK, AS THIS IS SIMILAR TO METHOD USED PRIOR TO SWITCH TO [REDACTED] IN OCT 80. HOWEVER, IT WOULD REQUIRE MORE WORK BY BUREAU THAN PRESENT SYSTEM, AND WOULD INVOLVE A NUMBER OF PROBLEMS.

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2. I HAVE RAISED THE QUESTION, IN GENERAL TERMS, WITH THE BANK MANAGER OF [REDACTED] WHICH IS LOCATED IN THE EMBASSY AND WOULD BE THE MOST LOGICAL LOCAL BANK TO OPERATE ANY SUCH SCHEME. MANAGER HAS INDICATED THAT IT WOULD BE POSSIBLE FROM THEIR STANDPOINT, BUT HAS ASKED FOR A WEEK TO DEVELOP HIS PROPOSALS ON HOW THE SYSTEM COULD OPERATE. HE DID INDICATE THAT U.K. BANKING PRACTICES ARE DIFFERENT THAN THOSE IN U.S. A SUBSTANTIAL FIXED AMOUNT WOULD HAVE TO BE DEPOSITED TO ANY BANK WE DEALT WITH AND THERE ARE CHARGES FOR TRANSFERS FROM ONE BANK TO ANOTHER AND FOR CURRENCY CONVERSIONS.

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3. SOME RECENT EXAMPLES OF PROBLEMS WE HAVE ENCOUNTERED IN DEALING WITH U.K. BANKS: WE ARE WORKING TO HAVE TWO SEPARATE BRANCHES OF [REDACTED] IN THE READING AREA RECOGNIZE SALARY CHECKS OF OUR EMPLOYEES WHICH ARE WRITTEN BY [REDACTED] FOR SOME REASON, IT IS NECESSARY TO DEAL WITH INDIVIDUAL BRANCH OFFICES OF A BANK RATHER THAN THE MAIN OFFICE. A SECOND EXAMPLE: WE WERE JUST TURNED DOWN BY A LOCAL MERCHANT FROM PAYING A BILL WITH [REDACTED] CHECK (NORMAL BANK CHECK USED FOR ALL TRANSACTIONS IN U.K.) AS HIS BANK CHARGES A [REDACTED]

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4. THE ABOVE PROBLEMS COULD BE WORKED OUT GIVEN SUFFICIENT TIME BUT WE COULD NOT EXPECT TO IMPLEMENT A PAYROLL SYSTEM AS PROPOSED IN A SHORT TIME-FRAME. IF YOU STILL INTEND TO IMPLEMENT THE FBIS FSN COMPENSATION PLAN IN LATE SEPT/EARLY OCTOBER, THERE WON'T BE ENOUGH TIME TO WORK OUT DETAILS HERE FOR YOUR PROPOSED SCHEME.

5. QUESTION WHETHER OF/PAYROLL IS CAPABLE OF OPERATING PAYROLL SCHEME FOR [REDACTED] FOREIGN NATIONALS AT 14 FIELD BUREAUS WHEN NO TWO BUREAUS OPERATE IDENTICAL COMPENSATION PACKAGES (I.E., [REDACTED] WHEREAS ANOTHER BUREAU MAY PAY AT A DIFFERENT PERCENTAGE RATE). SECOND, COULD OF/PAYROLL HANDLE BI-WEEKLY DEDUCTIONS FOR FN AND TCN EMPLOYEES AND PROVIDE EARNINGS AND LEAVE STATEMENTS ON A TIMELY BASIS. FROM OUR EXPERIENCE, PAYROLL PROBLEMS ARE NOT RESOLVED ANY FASTER FOR U.S. STAFFERS (AND CERTAINLY NOT FOR PART-TIME CONTRACTS) THAN SIMILAR PROBLEMS FOR FOREIGN NATIONALS ARE RESOLVED BY [REDACTED] WE QUESTION WHETHER OF/PAYROLL HAS THE RESOURCES TO HANDLE THE VOLUME AND COMPLEXITY OF A FOREIGN NATIONAL PAYROLL SCHEME.

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6. SUGGEST THAT THE NEW COMPENSATION PACKAGE BE IMPLEMENTED THROUGH [REDACTED] AS PREVIOUSLY PLANNED. IF HQS WISHES TO PURSUE REF PROPOSAL, THEN OF/PAYROLL OR OF/MONETARY DIVISION SHOULD SEND TDYER TO FIELD LOCATIONS FOR IN-DEPTH STUDY OF PROPOSAL. DECL OADR DRV COV 1-82. ALL CONFIDENTIAL.

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